



GAS DISTRIBUTION SERVICES

Default Price-Quality Path Compliance Statement 2019

Assessment Period: 01/10/2018 – 30/09/2019

Published: 10 December 2019

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1. Summary

Powerco is required to annually report on compliance with its price and quality paths

Powerco Limited's gas distribution business (Powerco) is subject to regulation under the Commerce Act 1986. The Commerce Commission (Commission) has set a default price-quality path (DPP) which applies to all non-exempt gas distribution businesses (GDBs) including Powerco.

The DPP requirements are set in the Gas Distribution Services Default Price-Quality Path Determination 2017 (the Determination). Each year Powerco must report on compliance with two aspects of the Determination:

- a) the price path (demonstrating that actual revenue is below allowed revenue), and
- b) the quality standards (time taken to respond to emergency calls).

Powerco must disclose an annual compliance statement (Statement) which includes information relevant to the assessment of its performance.

Powerco is compliant with the price path and quality standards for the year ended September 2019

This Statement confirms that Powerco has complied with the price path and the quality path for this 2019 assessment period (1 October 2018 - 30 September 2019). This Statement also confirms that Powerco has not undertaken a restructure of prices during this assessment period. Appendix D provides the detailed compliance requirements from the Determination and references to the relevant information included in this Statement.

Powerco completed this Statement on 21 November 2019. A copy is available at Powerco's principal office (Powerco, Level 2, 84 Liardet Street New Plymouth). The Statement is published on Powerco's website (www.powerco.co.nz) and additional copies can be provided on request.

2. Assessment against the price path

In this section Powerco demonstrates compliance with the price path requirements of section 8 of the Determination.

For presentation purposes, the tables set out in this section are aggregates of the price and quantity information for each price group. While the dollar balances in all pricing tables are rounded to the nearest thousand dollars, the underlying compliance calculations apply the whole number. More detailed information is contained in Appendix A.

2.1 Summary of price path compliance information

Clause 8.3 of the Determination states that to demonstrate compliance with the price path,

the notional revenue (NR_t) of the GDB in an assessment period must not exceed the allowable notional revenue (ANR_t) for the assessment period.

As demonstrated by the calculation in table 1, Powerco complies with the price path for the assessment period.

Table 1: Price path results for this assessment period

DPP requirement	$NR_t \leq ANR_t$
Powerco's result (\$000)	49,396 \leq 49,445
Compliance test	Complies

2.2 Allowable notional revenue and notional revenue

The DPP is based on a regulatory period of 5 years, from 2018 to 2022. The 2019 assessment period is the second assessment period under the current default price-quality path.

The calculation of allowable notional revenue and notional revenue is shown in tables 2 and 3, respectively.

2.2.1 Calculating allowable notional revenue

Allowable notional revenue for the second assessment period is calculated in accordance with equation 2 of schedule 4 of the Determination.

Table 2: Calculating Powerco's allowable notional revenue (ANR)

$$ANR_{2019} = (\sum_i P_{i,2018} Q_{i,2017} - (K_{2018} + V_{2018}) + (ANR_{2018} - NR_{2018}))(1 + \Delta CPI_{2019})(1 - X)$$

Calculation components	Value	Total (\$000)
$P_{i,2018} Q_{i,2017}$ represents the allowable notional revenue, prior to any adjustments, for the assessment period ending September 2019. This is the sum of all products of the 2018 prices for each lines service and corresponding quantities for the year ending September 2017.		50,744
$(K_{2018} + V_{2018})$ is the sum of all pass-through and recoverable costs included in pricing in the prior assessment period.		(2,242)
$(ANR_{2018} - NR_{2018})$ represents the revenue differential adjustment, which is the difference between the allowable notional revenue and the notional revenue for the previous pricing period.		169
$(1 + \Delta CPI_{2019})$ is the change in the consumer price index (CPI) stipulated in the "all Groups Index SE9A" as published by Statistics New Zealand and calculated in accordance with schedule 4 of the Determination.	1.0159	
$(1 - X)$ where X is the rate of change as specified in Schedule 2 of the Determination. For the 2018 to 2022 regulatory period X is set to zero.	1	
ANR₂₀₁₉ is the total allowable notional revenue for the 2019 assessment period.		49,445

2.2.2 Calculating notional revenue

Notional revenue is the product of each price during any part of the assessment period multiplied by the quantity for each price for the assessment period ending two years prior corresponding to that price. The formula to calculate notional revenue is specified in clause 8.4(a) of the Determination.

Table 3: Calculating Powerco’s notional revenue (NR)

$$NR_{2019} = (\sum_i P_{i,2019} Q_{i,2017} - (K_{2019} + V_{2019}))$$

Calculation components	Total (\$000)
<p>$P_{i,2019} Q_{i,2017}$ represents the notional revenue for the assessment period ending September 2019. This is the sum of all products of the 2019 prices for each lines service and corresponding quantities for the year ending September 2017.</p> <p>Refer appendix A for detail.</p>	51,611
<p>$(K_{2019} + V_{2019})$ is the sum of all pass-through and recoverable costs included in pricing in the current assessment period.</p>	(2,215)
<p>NR₂₀₁₉ is the total notional revenue for the 2019 assessment period.</p>	<p>49,396</p>

2.3 Pass-through and recoverable costs

The Determination allows for the inclusion of pass-through and recoverable costs in pricing if they are ascertainable at the time prices are set and have not been previously recovered or will not be able to be recovered other than through prices. Pass-through and recoverable costs are defined in clauses 3.1.2 and 3.1.3 of the Gas Distribution Services Input Methodologies Determination 2012.

Pass-through costs include:

- Rates on system fixed assets;
- Gas Act levies;
- Commerce Act levies;
- Electricity and Gas Complaints Commissioner Scheme (EGCC) levies; and
- Levies under the Commerce (Levy for Control of Natural Gas Services) Regulations 2005.

Recoverable costs include:

- Claw back applied by the Commission; and
- Costs relating to a CPP application.

2.3.1 Pass-through and recoverable costs included in pricing

Powerco sets draft pricing in April each year and pricing is finalised in July to take effect on 1 October of that year. Costs known at the point pricing is finalised may be included in pricing. Therefore, costs forecast to be used in pricing are actual costs incurred. Pass-through and recoverable costs are included in table 4 below only if incurred.

Table 4: Pass-through and recoverable costs included in 2019 pricing

Pass-through and recoverable costs incurred	2017 (\$000)	2018 (\$000)	Total (\$000)
Rates	1,397	0	1,397
Commission levies	387	151	538
EGCC levies	56	0	56
Capex wash-up	0	36	36
Pass-through and recoverable costs included in 2019 pricing	1,840	187	2,027

The formula to calculate the time value of pass-through costs is prescribed by equation 3 of schedule 5 of the Determination. The discount rate applied to pass-through costs is 4.76% as prescribed by the same equation. The formula to calculate the time value of recoverable costs is prescribed by the equation set in clause 3.1.3(h) of the Gas Distribution Services Input Methodologies Determination 2012. The discount rate applied to recoverable costs is 5.85% and is set by the Commission.

Table 5: Time value of money adjustment

	2017 (\$000)	2018 (\$000)	Total (\$000)
Amount of pass-through costs paid in the period	1,795	196	1,991
Amount of recoverable costs paid in the period	0	36	36
Total pass-through and recoverable costs paid in the period	1,795	232	2,027
Pass-through and recoverable costs included in 2019 pricing adjusted for the time value of money	1,969	246	2,215

2.4 Price restructuring

The Determination specifies that any restructure of prices is required to be disclosed. Powerco considers a restructure of prices means either:

- a) combining two or more consumer groups into one consumer group; or
- b) separating a consumer group into two or more new consumer groups; or
- c) adding a new consumer group.

Powerco has not restructured its pricing during this assessment period.

3. Assessment against the quality path

In this section Powerco demonstrates compliance with the quality standards in section 9 of the Determination.

3.1 Summary of quality path compliance information

Clause 9.1 of the Determination states that to demonstrate compliance with the quality standards,

a GDB's RTE values for an assessment period must be such that:

- a) **of the total of all RTE's, the percentage greater than 60 minutes does not exceed 20%; and**
- b) **the RTE to any emergency does not exceed 180 minutes.**

As demonstrated by table 6, Powerco complies with the quality path for the assessment period.

Table 6: Quality path results for this assessment period

DPP requirement	RTE > 60 mins	RTE > 180 mins
Powerco's result	5%	0%
DPP standard	20%	0%
Compliance test	Complies	Complies

An emergency is defined under the Determination as meaning:

- a) an unplanned escape or ignition of gas that requires the active involvement¹ of any emergency service (e.g. fire service or ambulance);
- b) an unplanned disruption in the supply of gas that affects more than five installation control points; or
- c) an evacuation of a premises as the result of escape or ignition of gas.

The assessed results are calculated from a dataset that covers the period 1 October 2018 to 30 September 2019. The incident data and calculations for the response times to emergencies are included in Appendix B.

Emergencies may be excluded from the dataset if the Commission has granted an exclusion in writing. Powerco confirms that for this assessment period it did not have any emergencies the Commission determined may be excluded from the RTE values, nor does Powerco have any excluding requests pending a decision by the Commission for the assessment period.

¹ Active involvement includes actions such as establishing safety cordons, the use of firefighting equipment or providing medical or first aid treatment.

3.2 Reliability policies and procedures

3.2.1 Recording emergency events

Each event affecting the gas distribution system reported to Powerco is recorded in Powerco's Outage Management System (OMS) by personnel in Powerco's Network Operations Centre (NOC). Data recorded includes:

- if the event is planned or unplanned;
- time of call;
- time of arrival of personnel onsite;
- if emergency services are involved;
- if premises are evacuated;
- if Powerco's assets are involved;
- number of connections affected; and
- event closure codes.

The process of collecting and reviewing data for the calculation of the RTE metric is illustrated in flow diagrams included in Appendix C.

3.2.1.1 Initial recording and response

At the time of initial notification, all contributing factors may not be apparent. Examples include an accurate count of customers affected, the type of equipment that has failed, and confirmation that a gas leak has occurred.

Powerco initially classifies any notification received from an emergency service as an emergency event. This is independent of any further action that the emergency service may or may not take.

Following initial notification of an event the responding field operative will call NOC to confirm all relevant event data. It may not be until this point that a job meets the criteria to be classified as an emergency. Conversely, it may be the case that an emergency classification is changed if for example a reported smell of gas is not confirmed on site. Occasionally the site may be evacuated sometime after the initial call to NOC.

3.2.1.2 Post event paperwork

The field operative records event data on a datasheet (form 390F140). This acts as a further record of the event details. These datasheets are held by the service provider and provided to Powerco. The forms are checked against the original entries in OMS by the gas operations team. This check typically verifies the information initially recorded.

If required, OMS records are updated. Changing OMS records is restricted to designated users.

3.2.1.3 Regular emergency response checks and reporting

OMS data is imported daily to a data warehouse. RTE information is extracted from the data warehouse through a Business Objects reporting tool on a weekly and monthly basis for review. All records assessed as being an emergency are individually checked by the gas asset intelligence analyst.

The percentage of emergencies responded to within 60 minutes and within 180 minutes is calculated for the current month and on a cumulative assessment year basis. These figures are compared to Powerco's internal targets and reported to the gas management team monthly. The cumulative results are reported in the management report to the Board as required.

The time taken to respond to an emergency is calculated as being the difference between the time stamped entry of the initial call to NOC and OMS entry, and the time recorded by the field operative as the on-site time.

3.2.1.4 Preparation for disclosure

The Determination definition of an emergency is narrower than that used by Powerco for internal reporting. Therefore, the results from internal reporting are filtered to only select emergency events as defined in the Determination. For example, any events that are not associated with Powerco distribution assets or minor faults where no emergency response was required are removed as these do not fall within the Determination definition of emergency.

3.2.1.5 Escalation of exceptions

The Gas Asset Intelligence Analyst confirms Powerco remains compliant with the quality standard each week once the OMS checks have been completed. Any confirmed instance where the response time is greater than 180 minutes, or it is possible that more than 20% of emergencies have exceeded 60 minutes, must be reported immediately to all the following:

- Gas Asset Strategy Manager
- Gas Operations Manager
- Gas General Manager
- Regulatory & Pricing Strategy Manager
- General Manager Regulation & Commercial

4. Amalgamations, mergers, transfers and major transactions

POWERCO

Powerco has not completed any amalgamations, mergers, transfers or major transactions in this assessment period.

5. Directors' Certificate

Directors' Certificate for the Default Price-Quality Path Compliance Statement

For the period 1 October 2018 to 30 September 2019

John Loughlin
Director

I, _____, being a director of Powerco Limited certify that, having made all reasonable enquiry, to the best of my knowledge and belief, the attached Compliance Statement of Powerco Limited, and related information, prepared for the purposes of the Gas Distribution Services Default Price-Quality Path Determination 2017 has been prepared in accordance with all the relevant requirements.

Director

21 November 2019

Date

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF POWERCO LIMITED AND THE COMMERCE COMMISSION

Report on Powerco Limited's Annual Gas Compliance Statement

We have conducted a reasonable assurance engagement on whether the information disclosed by Powerco Limited ('the Company') on pages 3 to 12 and 16 to 22, Sections 1, 2, 3 and 4 and the related Appendices A to D of the Company's Annual Compliance Statement ('the Annual Compliance Statement') for the period 1 October 2018 to 30 September 2019 has been prepared, in all material respects, with Clause 11 of the Gas Distribution Services Default Price-Quality Path Determination 2017 ('the Determination').

Opinion

In our opinion:

- the information used in the preparation of the Compliance Statement has been properly extracted from the Company's accounting and other records, sourced from its financial and non-financial systems; and
- the Company has complied, in all material respects, with the Determination in preparing its Annual Compliance Statement for the period 1 October 2018 to 30 September 2019.

Basis for Opinion

We conducted our engagement in accordance with the Standard on Assurance Engagements 3100 (Revised): *Compliance Engagements* ('SAE 3100 (Revised)') and the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ('ISAE (NZ) 3000 (Revised)'), both issued by the New Zealand Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Board of Directors' Responsibility

The Board of Directors is responsible on behalf of the Company for the preparation of the Annual Compliance Statement in accordance with the Determination. This responsibility includes the design, implementation and maintenance of internal control relevant to the Company's compliance with the Determination.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Professional and Ethical Standard 1 (Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Other than in our capacity as auditor and the provision of other assurance services including the audit of regulatory disclosure statements and project quality assurance, we have no relationship with or interests in the Company or any of its subsidiaries. These services have not impaired our independence as auditor.

The firm applies Professional and Ethical Standard 3 (Amended): *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements* issued by the New Zealand Auditing and Assurance Standards Board, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibilities

Our responsibility is to express an opinion on whether as far as appears from an examination, the information used in the preparation of the Compliance Statement has been properly extracted from the Company's accounting and other records, sourced from its financial and non-financial systems; and

whether the Company has complied, in all material respects, with the Determination in preparing its Annual Compliance Statement. SAE 3100 (Revised) requires that we plan and perform our procedures to obtain reasonable assurance that the Company has complied, in all material respects, with the Determination in preparing its Annual Compliance Statement.

An assurance engagement to report on the Company's compliance with the Determination involves performing procedures to obtain evidence about the compliance activity and the controls implemented to meet the requirements of the Determination. The procedures selected depend on our judgement, including the identification and assessment of risk of material non-compliance with the Determination whether due to fraud, error or non-compliance with the Determination.

In evaluating those risks, we consider internal control relevant to the Company's preparation of the Annual Compliance Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. A reasonable assurance engagement also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the Annual Compliance Statement.

In relation to the Price Path Compliance Information set out in Clause 8 of the Determination, our reasonable assurance engagement included an examination, on a test basis, of evidence relevant to the amounts and disclosures contained on pages 3 to 12 and 16 to 22 of the Annual Compliance Statement.

In relation to the Quality Path Compliance Information for the Assessment Period ended on 30 September 2019, our reasonable assurance engagement included an examination, on a test basis, of evidence relevant to the amounts and disclosures contained on pages 3 to 12 and 16 to 22 of the Annual Compliance Statement.

Our reasonable assurance engagement also included an assessment of the significant estimates and judgments, if any, made by the Company in the preparation of the Annual Compliance Statement and assessment of whether the basis of preparation has been adequately disclosed.

These procedures have been undertaken to form an opinion as to whether the Company has complied, in all material respects, with the Determination in preparing its Annual Compliance Statement for the period 1 October 2018 to 30 September 2019.

Inherent Limitations

Because of the inherent limitations of evidence gathering procedures, it is possible that fraud, error or non-compliance may occur and not be detected. As the procedures performed for this engagement are not performed continuously throughout the period 1 October 2018 to 30 September 2019 and the procedures performed in respect of the Company's compliance with Determination are undertaken on a test basis, our assurance engagement cannot be relied on to detect all instances where the Company may not have complied with the Determination. The opinion expressed in this report has been formed on the above basis.

Use of Report

This report is provided solely for your exclusive use and solely for the purpose of Clause 11.2(d) of the Determination. However we understand that a copy of this report has been requested by the Commerce Commission solely for the purpose above. We agree that a copy of our report may be provided to the Commerce Commission. This report is not to be used for any other purpose, recited or referred to in any document, copied or made available (in whole or in part) to any other person without our prior written consent. We accept or assume no duty, responsibility or liability to any party, other than you, in connection with the report or this engagement including without limitation, liability for negligence in relation to the opinion expressed in our report.

Deloitte Limited

Deloitte Limited
Auckland, New Zealand
21 November 2019

7. Appendices

The following list of appendices provides further information supporting this Statement.

Appendix reference	Information provided
A – Calculating notional revenue	The price and quantity information used in the calculation of notional revenue for the assessment period.
B – Response time to emergency incidents	The incident data and calculations for the response times to emergencies.
C – Recording the response time to emergencies statistics	Flowchart format the process described in section 3.2.
D – Compliance references	References the compliance requirements of the Determination and where they are evidenced in this Statement.

Appendix A – Calculating notional revenue

This table summarises the price and quantity information used to calculate notional revenue for the assessment period. Prices include pass-through and recoverable costs.

Notional revenue

P2019 x Q2017 \$ 51,611,494

Load group	2019 Pricing Year (Oct 2018 - Sept 2019)	Price t (2019)		Quantity t-2 (2017)		Revenue		
		Fixed \$/day	Variable (\$/GJ)	Avg no of ICPs	Vol (GJ)	Fixed	Variable	Total
G06	2G06	\$0.0000	\$18.2566	1,035	13,782	\$0	\$251,611	\$251,611
G11	2G11	\$0.5843	\$4.3785	3,636	121,174	\$770,739	\$530,555	\$1,301,293
G12	2G12	\$1.5208	\$3.7546	173	46,322	\$95,695	\$173,922	\$269,617
G14	2G14	\$4.1080	\$3.2896	80	63,910	\$119,785	\$210,239	\$330,025
G16	2G16	\$5.4537	\$3.1072	61	128,026	\$121,194	\$397,801	\$518,995
G18	2G18	\$9.4938	\$3.2105	8	35,747	\$27,722	\$114,766	\$142,488
G30	2G30	\$21.1944	\$0.3586	4	17,221	\$30,944	\$6,176	\$37,119
G40	2G40	\$54.6967	\$0.3773	25	1,420,172	\$474,439	\$535,810	\$1,010,249
Totals				5,022	1,846,354	1,640,517	2,220,879	3,861,396

Load Group	2019 Pricing Year (Oct 2018 - Sept 2019)	Price t (2019)		Quantity t-2 (2017)		Revenue		
		Fixed \$/day	Variable (\$/GJ)	Avg no of ICPs	Vol (GJ)	Fixed	Variable	Total
G06	5G06	\$0.0000	\$19.9718	6,415	83,150	\$0	\$1,660,663	\$1,660,663
G11	5G11	\$0.5916	\$5.1670	23,010	869,371	\$4,950,576	\$4,492,066	\$9,442,643
G12	5G12	\$0.9568	\$5.6272	612	120,608	\$213,184	\$678,680	\$891,864
G14	5G14	\$5.8637	\$5.6514	136	117,947	\$289,808	\$666,562	\$956,371
G16	5G16	\$9.0504	\$4.6954	47	129,860	\$154,976	\$609,745	\$764,720
G18	5G18	\$13.9088	\$4.5516	11	21,169	\$55,593	\$96,354	\$151,947
G30	5G30	\$7.1208	\$1.3035	24	94,572	\$62,279	\$123,271	\$185,549
G40	5G40	\$20.6568	\$1.7563	17	303,609	\$128,176	\$533,229	\$661,405
Totals				30,272	1,740,288	5,854,593	8,860,570	14,715,163

Load Group	2019 Pricing Year (Oct 2018 - Sept 2019)	Price t (2019)		Quantity t-2 (2017)		Revenue		
		Fixed \$/day	Variable (\$/GJ)	Avg no of ICPs	Vol (GJ)	Fixed	Variable	Total
G06	3G06	\$0.0000	\$18.2566	5,360	63,159	\$0	\$1,153,070	\$1,153,070
G11	3G11	\$0.5843	\$4.3785	14,567	449,430	\$3,090,871	\$1,967,810	\$5,058,680
G12	3G12	\$1.5208	\$3.7546	328	88,733	\$181,280	\$333,159	\$514,439
G14	3G14	\$4.1080	\$3.2896	87	72,432	\$129,760	\$238,273	\$368,034
G16	3G16	\$5.4537	\$3.1072	73	151,576	\$145,021	\$470,978	\$615,999
G18	3G18	\$9.4938	\$3.2105	12	50,547	\$40,626	\$162,282	\$202,907
G30	3G30	\$19.7929	\$2.4455	10	100,757	\$72,244	\$246,399	\$318,643
G40	3G40	\$31.5077	\$1.6759	26	663,804	\$297,838	\$1,112,440	\$1,410,278
Totals				20,463	1,640,438	3,957,639	5,684,410	9,642,050

Load Group	2019 Pricing Year (Oct 2018 - Sept 2019)	Price t (2019)		Quantity t-2 (2017)		Revenue		
		Fixed \$/day	Variable (\$/GJ)	Avg no of ICPs	Vol (GJ)	Fixed	Variable	Total
G06	6G06	\$0.0000	\$18.2566	5,690	67,306	\$0	\$1,228,780	\$1,228,780
G11	6G11	\$0.5843	\$4.3785	12,862	413,075	\$2,728,878	\$1,808,632	\$4,537,510
G12	6G12	\$1.5208	\$3.7546	203	59,481	\$112,355	\$223,330	\$335,686
G14	6G14	\$4.1080	\$1.9966	113	114,590	\$169,287	\$228,792	\$398,078
G16	6G16	\$5.4537	\$1.9461	35	71,024	\$69,371	\$138,220	\$207,591
G18	6G18	\$9.4938	\$1.7708	14	59,077	\$48,513	\$104,613	\$153,127
G30	6G30	\$5.3061	\$3.5103	8	16,951	\$15,494	\$59,504	\$74,998
G40	6G40	\$78.1844	\$0.4918	19	674,083	\$513,672	\$331,546	\$845,217
Totals				18,944	1,475,588	3,657,570	4,123,417	7,780,986

Load Group	2019 Pricing Year (Oct 2018 - Sept 2019)	Price t (2019)		Quantity t-2 (2017)		Revenue		
		Fixed \$/day	Variable (\$/GJ)	Avg no of ICPs	Vol (GJ)	Fixed	Variable	Total
G06	4G06	\$0.0000	\$19.9717	7,544	89,722	\$0	\$1,791,910	\$1,791,910
G11	4G11	\$0.5916	\$5.1670	23,010	1,020,552	\$4,951,416	\$5,273,235	\$10,224,651
G12	4G12	\$0.9568	\$5.6272	475	134,796	\$165,184	\$758,518	\$923,703
G14	4G14	\$5.8637	\$5.6513	126	85,419	\$268,167	\$482,728	\$750,895
G16	4G16	\$9.0504	\$4.6954	72	123,171	\$237,241	\$578,337	\$815,578
G18	4G18	\$13.9088	\$4.5516	9	27,039	\$45,490	\$123,070	\$168,560
G30	4G30	\$8.4490	\$1.8327	75	226,452	\$215,135	\$415,026	\$630,162
G40	4G40	\$17.3401	\$0.6409	14	341,453	\$87,604	\$218,836	\$306,441
Totals				31,325	2,048,604	5,970,238	9,641,662	15,611,899

Appendix B – RTE incident data

Total events:	38
Active involvement of emergency services:	34
Evacuation events:	7
Emergency & evacuation:	6
Customers affected >5:	3
# responses exceeding 1 hr:	2
# responses exceeding 3 hrs:	0
% responses exceeding 1 hr:	5%
% responses exceeding 3 hrs:	0%

Work Order ID	Active involvement of emergency services?	Premises evacuated?	# customers affected	Time emergency is reported	Time on site	Time differential	1.Equipment	2. Reason	3. Action
JG18001619	TRUE	N	1	17/10/2018 15:04	17/10/2018 15:51	0:00:46:37	M - MP (MEDIUM PRESSURE)	A - LEAK CLASS 1	T - THIRD PARTY DAMAGE
JG18002019	FALSE	N	6	22/11/2018 11:06	22/11/2018 8:05	0:00:00:00	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	X - DETERIORATION/AGE
JG18002097	TRUE	N	0	29/11/2018 20:49	29/11/2018 21:20	0:00:31:00	M - MP (MEDIUM PRESSURE)	R - PUBLIC REPORTED ESCAPE/SMELL	E - EQUIPMENT REPLACE/REPAIR
JG18002168	TRUE	Y	0	05/12/2018 19:47	05/12/2018 20:30	0:00:00:00	M - MP (MEDIUM PRESSURE)	A - LEAK CLASS 1	T - THIRD PARTY DAMAGE
JG18002210	TRUE	N	0	10/12/2018 12:13	10/12/2018 12:38	0:00:24:31	M - MP (MEDIUM PRESSURE)	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
JG18002257	TRUE	Y	0	13/12/2018 9:16	13/12/2018 10:09	0:00:52:39	M - MP (MEDIUM PRESSURE)	E - EQUIPMENT FAULT	E - EQUIPMENT REPLACE/REPAIR
JG18002360	TRUE	N	0	24/12/2018 20:43	24/12/2018 21:10	0:00:26:58	S - SERVICE PIPE	M - URGENT LOCATE	C - CAP SERVICE
JG19000198	TRUE	N	4	20/01/2019 10:22	20/01/2019 10:50	0:00:27:43	S - SERVICE PIPE	A - LEAK CLASS 1	T - THIRD PARTY DAMAGE
JG19000240	TRUE	N	2	24/01/2019 13:04	24/01/2019 13:22	0:00:17:11	S - SERVICE PIPE	A - LEAK CLASS 1	T - THIRD PARTY DAMAGE
JG19000337	TRUE	N	0	31/01/2019 13:56	31/01/2019 14:42	0:00:45:02	M - MP (MEDIUM PRESSURE)	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
JG19000526	TRUE	Y	0	18/02/2019 0:55	18/02/2019 1:20	0:00:24:05	S - SERVICE PIPE	A - LEAK CLASS 1	C - CAP SERVICE
JG19000780	TRUE	N	1	11/03/2019 8:46	11/03/2019 9:15	0:00:28:04	M - MP (MEDIUM PRESSURE)	R - PUBLIC REPORTED ESCAPE/SMELL	E - EQUIPMENT REPLACE/REPAIR
JG19000877	TRUE	N	1	20/03/2019 12:34	20/03/2019 12:49	0:00:14:06	M - MP (MEDIUM PRESSURE)	A - LEAK CLASS 1	T - THIRD PARTY DAMAGE
JG19001220	TRUE	N	1	17/04/2019 13:01	17/04/2019 13:22	0:00:20:14	S - SERVICE PIPE	A - LEAK CLASS 1	E - EQUIPMENT REPLACE/REPAIR
JG19001224	TRUE	N	0	17/04/2019 17:52	17/04/2019 18:18	0:00:25:18	M - MP (MEDIUM PRESSURE)	A - LEAK CLASS 1	E - EQUIPMENT REPLACE/REPAIR
JG19001506	TRUE	N	0	10/05/2019 23:04	10/05/2019 23:14	0:00:10:14	M - MP (MEDIUM PRESSURE)	R - PUBLIC REPORTED ESCAPE/SMELL	E - EQUIPMENT REPLACE/REPAIR
JG19001593	TRUE	N	1	17/05/2019 12:15	17/05/2019 12:26	0:00:10:01	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	X - DETERIORATION/AGE
JG19001654	FALSE	N	9	21/05/2019 16:40	21/05/2019 16:50	0:00:09:03	M - MP (MEDIUM PRESSURE)	A - LEAK CLASS 1	T - THIRD PARTY DAMAGE
JG19001674	TRUE	N	0	22/05/2019 16:39	22/05/2019 17:45	0:01:06:09	M - MP (MEDIUM PRESSURE)	E - EQUIPMENT FAULT	E - EQUIPMENT REPLACE/REPAIR
JG19001730	TRUE	N	0	27/05/2019 9:55	27/05/2019 10:26	0:00:30:05	M - MP (MEDIUM PRESSURE)	A - LEAK CLASS 1	T - THIRD PARTY DAMAGE
JG19001861	TRUE	N	0	08/06/2019 17:41	08/06/2019 18:10	0:00:28:22	M - MP (MEDIUM PRESSURE)	R - PUBLIC REPORTED ESCAPE/SMELL	X - DETERIORATION/AGE
JG19001911	TRUE	N	2	12/06/2019 8:22	12/06/2019 8:40	0:00:17:57	M - MP (MEDIUM PRESSURE)	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
JG19001963	TRUE	N	2	17/06/2019 9:43	17/06/2019 10:05	0:00:21:54	M - MP (MEDIUM PRESSURE)	A - LEAK CLASS 1	T - THIRD PARTY DAMAGE
JG19002043	TRUE	N	0	21/06/2019 18:44	21/06/2019 19:06	0:00:21:24	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	X - DETERIORATION/AGE
JG19002046	TRUE	N	0	22/06/2019 9:46	22/06/2019 10:05	0:00:18:16	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
JG19002055	FALSE	N	9	24/06/2019 8:41	24/06/2019 9:05	0:00:23:08	M - MP (MEDIUM PRESSURE)	A - LEAK CLASS 1	T - THIRD PARTY DAMAGE
JG19002496	TRUE	N	1	25/07/2019 9:07	25/07/2019 9:34	0:00:26:13	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
JG19002505	TRUE	N	0	25/07/2019 13:11	25/07/2019 13:30	0:00:18:14	M - MP (MEDIUM PRESSURE)	R - PUBLIC REPORTED ESCAPE/SMELL	E - EQUIPMENT REPLACE/REPAIR
JG19002531	TRUE	N	0	26/07/2019 14:16	26/07/2019 14:45	0:00:28:46	M - MP (MEDIUM PRESSURE)	R - PUBLIC REPORTED ESCAPE/SMELL	S - FOUND DURING LEAK SURVEY
JG19002669	TRUE	Y	0	03/08/2019 11:51	03/08/2019 12:22	0:00:30:34	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
JG19002845	TRUE	Y	1	14/08/2019 14:48	14/08/2019 15:52	0:01:04:00	M - MP (MEDIUM PRESSURE)	A - LEAK CLASS 1	E - EQUIPMENT REPLACE/REPAIR
JG19002935	TRUE	Y	1	20/08/2019 8:40	20/08/2019 9:40	0:00:59:38	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
JG19002984	TRUE	N	2	23/08/2019 10:47	23/08/2019 11:04	0:00:16:17	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
JG19003054	FALSE	Y	1	29/08/2019 12:36	29/08/2019 12:50	0:00:14:03	S - SERVICE PIPE	A - LEAK CLASS 1	T - THIRD PARTY DAMAGE
JG19003091	TRUE	N	2	03/09/2019 9:38	03/09/2019 10:08	0:00:29:41	M - MP (MEDIUM PRESSURE)	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
JG19003249	TRUE	N	0	14/09/2019 15:58	14/09/2019 16:27	0:00:28:38	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
JG19003354	TRUE	N	0	21/09/2019 13:31	21/09/2019 14:10	0:00:38:24	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	X - DETERIORATION/AGE
JG19003423	TRUE	N	1	27/09/2019 10:19	27/09/2019 10:45	0:00:25:06	S - SERVICE PIPE	A - LEAK CLASS 1	T - THIRD PARTY DAMAGE

Appendix C – Recording the response time to emergencies statistics

The process of collecting and reviewing data for the calculation of the response time to emergencies metric is in diagram 1 and diagram 2 below. Diagram 1 describes the process steps to collect interruption information and recording response time to emergencies. Diagram 2 describes the review process undertaken to ensure the information recorded is correct.

Diagram 1: Process - recording response time to emergencies

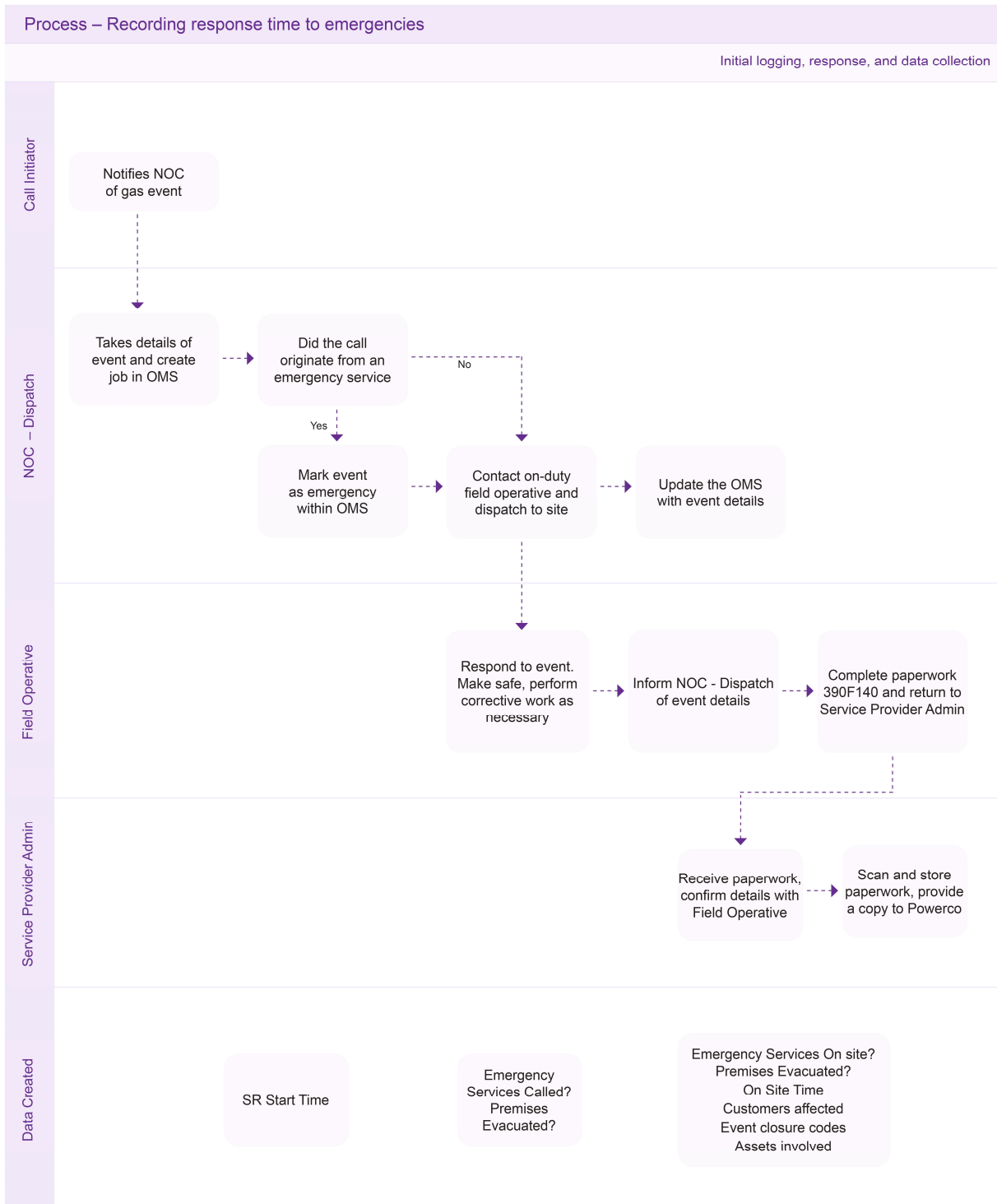
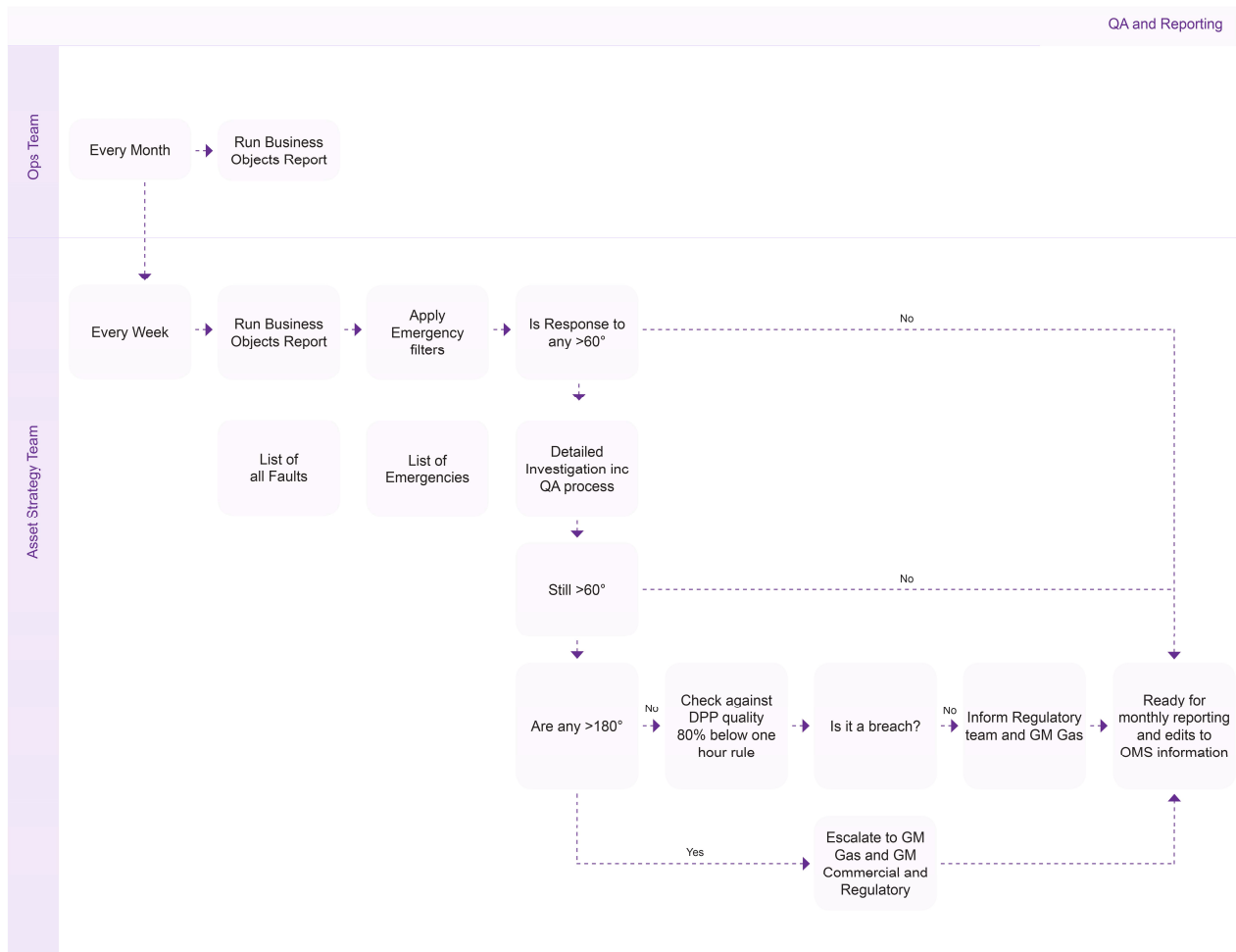


Diagram 2: RTE reporting process



Appendix D – Compliance statement references

Determination clause	Determination requirement	Compliance statement section
Price path		
8.3	The NR of a GDB in an assessment period must not exceed the ANR for the assessment period.	2.1
Quality standards		
9.1	A GDB's RTE values must be such that: <ul style="list-style-type: none"> a) of the total of all RTE's, the percentage greater than 60 minutes does not exceed 20%; and b) the RTE to any emergency does not exceed 180 minutes. 	3.1
9.2 – 9.4	Except in instances where the Commission has determined in writing that the GDB has a reasonable excuse for not responding to an emergency within 180 minutes and can be treated as having complied with the quality standard for that emergency.	
Transactions		
10.1	If a GDB completes an amalgamation or merger during the assessment period with another GDB subject to a DPP, the ANR and NR, and the total number of emergencies of the combined GDB are summed.	
10.2	If a GDB completes a transfer during an assessment period, the GDB must increase or decrease the ANR and NR for that assessment period as specified in schedule 6.	4
10.3	A GDB must notify the Commission in writing within 30 working days of completing an amalgamation, merger, transfer or transaction.	
Compliance statements		
11.1	Every GDB must: <ul style="list-style-type: none"> a) provide to the Commission a written compliance statement within 50 working days following the end of each assessment period; b) make its compliance statement, the director's certificate and the assurance report publicly available 5 working days after providing it to the Commission; and c) provide to the Commission schedules reflecting prices and quantities disclosed in an electronic format with its annual compliance statement. 	N/a, actioned on completion
11.2	The compliance statement must: <ul style="list-style-type: none"> a) state whether the GDB has complied with the price path and the quality path for the assessment period, and whether there has been a restructure of prices during the assessment period; b) state the date the statement was prepared; c) include a certificate in the form set out in schedule 7 of the Determination, signed by at least one Director of the GDB; and d) be accompanied by an assurance report meeting the requirements specified in schedule 8 of the Determination. 	1 1 5 6
11.3	The compliance statement must include any information reasonably necessary to demonstrate whether the GDB has complied with: <ul style="list-style-type: none"> a) the price path (including but not limited to): <ul style="list-style-type: none"> i. the amount of ANR, the amount of NR, prices, quantities, units of measurement associated with all numeric data and other relevant data, information and calculations; 	2.1, 2.2, app A

	ii.	the amounts of pass-through costs and recoverable costs that were used to calculate ANR and NR, and supporting data, information and calculations used to determine those amounts, including when each pass-through cost and recoverable cost amount was paid and the period to which those costs relate;	2.3
	iii.	if the GDB has not complied with the price path, the reason for non-compliance; and	N/a
	iv.	if the GDB has not complied with the price path, actions taken to mitigate any non-compliance and to prevent similar non-compliance in future assessment periods.	N/a
	b)	The quality standards (including but not limited to):	
	i.	relevant incident data and calculations;	3.1, app B
	ii.	a description of policies and procedures which the GDB has used for recording the RTE statistics for the assessment period;	3.2, app C
	iii.	a list of all emergencies where the Commission has determined that the GDB can be treated as having complied with the quality standard for that emergency, and any exclusion requests that are pending a decision by the Commission for the assessment period;	3.1
	iv.	if the GDB has not complied with the quality standard, the reason for not meeting the quality standard;	N/a
	v.	if the GDB has not complied with the quality standard, actions taken to mitigate any non-compliance and to prevent similar non-compliance in future assessment periods; and	N/a
	vi.	where a quality standard has not been met, for each emergency which exceeded the RTE for the quality standard, a description of the emergency including the nature, cause and location; and the number of consumers affected by the emergency.	N/a
11.4		If a GDB has restructured its prices that first applied during the current or preceding assessment period:	
	a)	the compliance statement must state the nature of the restructure of prices and identify the consumer groups impacted by the restructure of prices; and	
	b)	if the GDB has derived quantities under clause 8.8 for the purposes of calculating NR and/or ANR the compliance statement must include:	2.4
	i.	the methodology used to derive the quantities in place of actual quantities that corresponds to each restructured price;	
	ii.	the derived quantities corresponding to each restructured price determined by the GDB for that assessment period, and the actual quantities; and	
	iii.	an explanation for any difference between the actual quantities and the derived quantities.	
11.5		If a GDB participates in an amalgamation, merger or transfer, the compliance statement for that assessment period must:	
	a)	state whether the GDB has complied with clauses 10.3 – 10.5;	4
	b)	include any information or calculations that are reasonably required to demonstrate compliance with clauses 10.3 – 10.5; and	4
	c)	if the GDB has not complied with clauses 10.3 – 10.5 in any respects, identify how it has failed to comply and state the reasons for the non-compliance.	N/a